GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:3469
ANSWERED ON:17.08.2005
CENTRAL ASSISTANCE TO STATE PLAN
Kripalani Shri Srichand

Will the Minister of PLANNING be pleased to state:

(a) whether a proportionate cut in the Central Assistance is imposed on States which record lower expenditure as against the approved plan outlay of the last year ;

(b) if so, the reasons therefor and the basis of such a curtailment;

(c) whether the Central assistance given to States plan does not match with the plan size;

(d) if so, the details thereof and the reasons therefor;

(e) whether the limits of the States plan are stipulated according to the expected available resources; and

(f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a) & (b): Based on the Guidelines circulated by the Planning Commission, a Proportionate cut in Central Assistance is imposed by the Ministry of Finance for States which record lower expenditure than the Revised Approved Plan Outlay and also on account of shortfalls in the Earmarked Outlays, with a view to ensure that the plan projects are implemented as per the time schedule envisaged.

(c) to (f): Annual Plan Outlays of the States are decided through mutual discussions between the Deputy Chairman, Planning Commission, and the respective Chief Ministers/ Governors keeping in view the availability of resources. These consist of State`s Own Resources and Central Assistance. Normal Central Assistance for State Plans is provided in the form of Block Loans and Grants which are allocated amongst states on the basis of methodology, criteria and weights given by Gadgil-Mukherjee Formula, which has been adopted and approved by the National Development Council in December 1991.